Chief, E/G/CE Attn: MEMORANDUM FOR:

SUBJECT:

Stepan LENKAVSKY

1. The following information is being reported for your information. You will recall the surfacing at a press conference in Kiev on 19 April, of Kazimir Stefan DZHUGALO AKA DSCHUGALO, (C ]) who defected to the Soviet Union in late December 1965. DZHUGALO was a member of the Zch/OUN/B (Foreign Section/Organization of Ukrainian Nationalists/Bandera Faction). It was revealed at the press conference in Kiev that DZHUGALO worked since 1956 "at the 'K+3' liaison service in Munich, where he 'directly executed the decisions taken by my chiefs'." DZHUGALO said that the "K-3" liaison service, working under the direct supervision of the West German Intelligence Service, selects agents for espionage and subversive activities from among Ukrainian nationalists, trains them and smuggles them into the Soviet Union.

2. At a social gathering during the week of 22 May at which members of the Soviet Mission to the United Nations were present; the subject of DZHUGALO's defection was brought up by a source of this office who was inconversation with a member of the Soviet Mission. The Soviet was reported to have told our source not to be surprised to hear if other individuals, as for instance Stepan LENKAVSKY, return to the Soviet Union within the next year. LENKAVSKY has been acting head of the Bandera Organization since the death of Bandera. It is felt that the comment made by the Soviet official, even though perhaps made somewhat facetiously at an informal social gathering, might be of interest to the German liaison.

3. Please contact on extension 7168 if you have any questions concerning the foregoing.

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Acting Chief, SB/S/CA